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Documents Detail Israeli Missile Deal With the Shah

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WASHINGTON — Before the fall of the Shah in 1979, Israel was involved in a multibillion-dollar project to modify advanced, surface-to-surface missiles for sale to Iran, according to documents said to have been left in Teheran by Israeli diplomats.

The documents reveal that the Israelis told the Iranians that the missiles could be fitted with nuclear warheads, although this possibility was not pursued. The two sides agreed that if Iran wanted a nuclear ability, this would pose a problem with the Americans.

The Israelis left shortly before the 1979 revolution. The Israeli papers, in English, were published in paperback by the Iranians who seized the American Embassy in November 1979 and who have published more than 50 volumes of secret documents found there.

The Israeli-Iranian project, code-named "Flower," was one of six oil-for-arms contracts signed in April 1977 in Teheran by Shah Mohammed Riza Pahlavi and Shimon Peres, then the Israeli Defense Minister.

Two Nations Had Trade Missions

At the time, Iran and Israel did not have diplomatic relations, but they had trade missions. In addition, Iran was the only Middle Eastern country that recognized Israel's right to exist.

The two countries, according to transcripts of conversations in the documents, intended to keep the proposed missile improvement secret from the United States.

Although American officials were aware that Israeli and Iranian military leaders had exchanged secret visits, they did not know the nature of the discussion, according to interviews with former officials of the State Department, the Pentagon, the Central Intelligence Agency and the National Security Council staff.

The possession of surface-to-surface missiles was part of the Shah's plan to turn Iran into the most formidable military power in the Middle East. For the Israelis, the deal offered a guaranteed oil supply as well as financing for advanced military research.

Work Halts After Revolution

According to the documents, a missile was test-fired in Israel in the presence of an Iranian general. The aim of the project was to extend the range of an Israeli missile developed in the early 1970's and replace American-supplied parts so that Israel could legally export it without American approval.

Israel was still perfecting the missile when Ayatollah Ruhollah Khomeini came to power in February 1979 and halted cooperation with Israel.

Two Iranian officials involved, Gen. Hassan Toufanian, the arms procurer, and Adm. Kamal Habibollahi, the navy commander, said in interviews that the conversations recorded in the documents were genuine. The two now live in the United States.

In a third interview, Ezer Weizman, who took over as Israeli Defense Minister in May 1977 and who is now a member of the Cabinet under Prime Minister Peres, did not deny that the documents were authentic.

Weizman Confirms Contacts

"Obviously we had relations with Iran and I knew General Toufanian personally," he said from Jerusalem in a telephone interview. "I had many conversations with him both in Tel Aviv and in Teheran. But I don't think it is appropriate that I, as former Minister of Defense and as a Minister in the Israeli Cabinet, should comment on affairs of state backdated to 1977."

Other Israeli officials called the papers a forgery.

"These rumors and falsified documents are usually spread by the present regime in Teheran with the view to discredit the previous regime," Avi Pazner, a spokesman for Israel's Foreign Ministry, said.

A spokesman for Mr. Peres, Uri Savir, said, "I have nothing to add to Mr. Pazner's statement."

The Flower project, according to the documents, involved the production of missiles with warheads weighing 750 kilograms, or 1,650 pounds, and with a range of up to 300 miles. They were to be shipped through a Swiss company to central Iran for assembly and testing.

Books Available in Libraries

The books with the documents are on sale in Teheran. They are available in the libraries of Harvard University, the University of Chicago, Columbia University and in the Library of Congress. The volume on the missile project, published three years ago, was made available to The New York Times through the Iranian Library of Encino, Calif.

Richard Helms, former director of the C.I.A. and a former ambassador to Iran who is now a consultant on the Middle East, said:

"I am hardly surprised that these documents have not come to light until now. The books attracted a great deal of attention when the first volumes appeared, but ever since the hostage crisis, interest in Iran has been drastically reduced. Even though new volumes still appear with some regularity, they tend to be regarded in intelligence circles as a kind of ancient history."

A 1977 Visit to Israel

Some of the papers date from July 1977, two months after Israel's Labor Government fell and Menachem Begin was elected as Prime Minister. It was then that the Shah, concerned about the viability of the military deals he had signed with Mr. Peres, dispatched General Toufanian to Israel.

General Weizman tried to convince General Toufanian of Iran's need for an advanced missile, according to a conversation recorded in the documents.

"You must have a ground-to-ground missile," General Weizman said. "A country like yours with F-14's, with so many F-4's, with the problems surrounding you, with a good missile force, a clever and wise one."

Then, perhaps as a bargaining tactic, he almost called off the missile project, telling the Iranian that "the 'Flower' is not a top priority for us."

General Toufanian hinted that such a project might cost more than Iran could afford.

"No country has enough money for defense, no country whatsoever," he said. "Neither Iran nor the U.S."

'It Was Beautiful'

Israel's development of the missile was so far along that General Toufanian was able to witness the firing of a missile during his visit.

"It was beautiful, beautiful, a fully developed missile," he recalled in the interview.

He added that there were technical problems that would have to be overcome before Israel could deliver it. Among its components were American-made inertial navigation equipment and a guidance system that Israel was forbidden to make available to other governments.

There was also the more serious political problem of how the United States would react when it learned that its two allies were secretly working on a missile with a nuclear capability.

In the documents, General Weizman said the missile could carry a nuclear warhead.

"All missiles can carry an atomic head, all missiles can carry a conventional head," he said.

A summary of a conversation on the same day between General Toufanian and Moshe Dayan, then the Israeli Foreign Minister, said:

"General Dayan raised the problem of the Americans' sensitivity to the introduction of the kind of missiles envisaged in the joint project. He added that the ground-to-ground missile that is part of the joint project can be regarded also as a missile with a nuclear head, because with a head of 750 kg., it can be a double-purpose one."

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Question of Nuclear Ability

General Dayan is described as saying that "at some stage, the problem will have to be raised with the Americans" and that he would discuss it with the Shah during their next meeting.

Although the Israelis never explicitly said that they had a nuclear ability or that they were willing to turn over such a capability to Iran, it was implied in the discussions, General Toufanian said.

"When you read these pages, there is no doubt about it," he said in the interview. He said Iran was not interested in a nuclear weapon at that time, but "that did not mean we would not be interested in another decade."

Iran had signed the 1968 treaty barring the spread of nuclear weapons, but Israel had not. Israeli leaders have never acknowledged that they have nuclear weapons, but C.I.A. documents and American intelligence officials have concluded that Israel produced nuclear weapons as early as 1974.

American officials said they were aware that Israel was developing a missile that could carry a nuclear warhead. They also knew that Iran was sending oil to Israel. What they did not know was that Iran was involved in Israel's weapons development.

'I Was Surprised'

Gary Sick, Iran specialist on the National Security Council staff under President Jimmy Carter, said:

"I was surprised by the documents, surprised to learn that two countries closely allied with the United States were conducting joint military operations without talking to us about them."

Most surprising was the joint missile project, the former officials said.

Harold Saunders, former Assistant Secretary of State for Near Eastern Affairs, said:

"Israel built a lot of things for the Iranians that we did not know about. But it surprises me that the Israelis would have brought the Iranians into the development of a missile that may have been part of their nuclear program. If that is the case, I am surprised we did not know about it."

A Down Payment in Oil

General Toufanian said in the interview that Iran made a down payment for the missile in 1978 by shipping \$260 million worth of oil from Kharg Island.

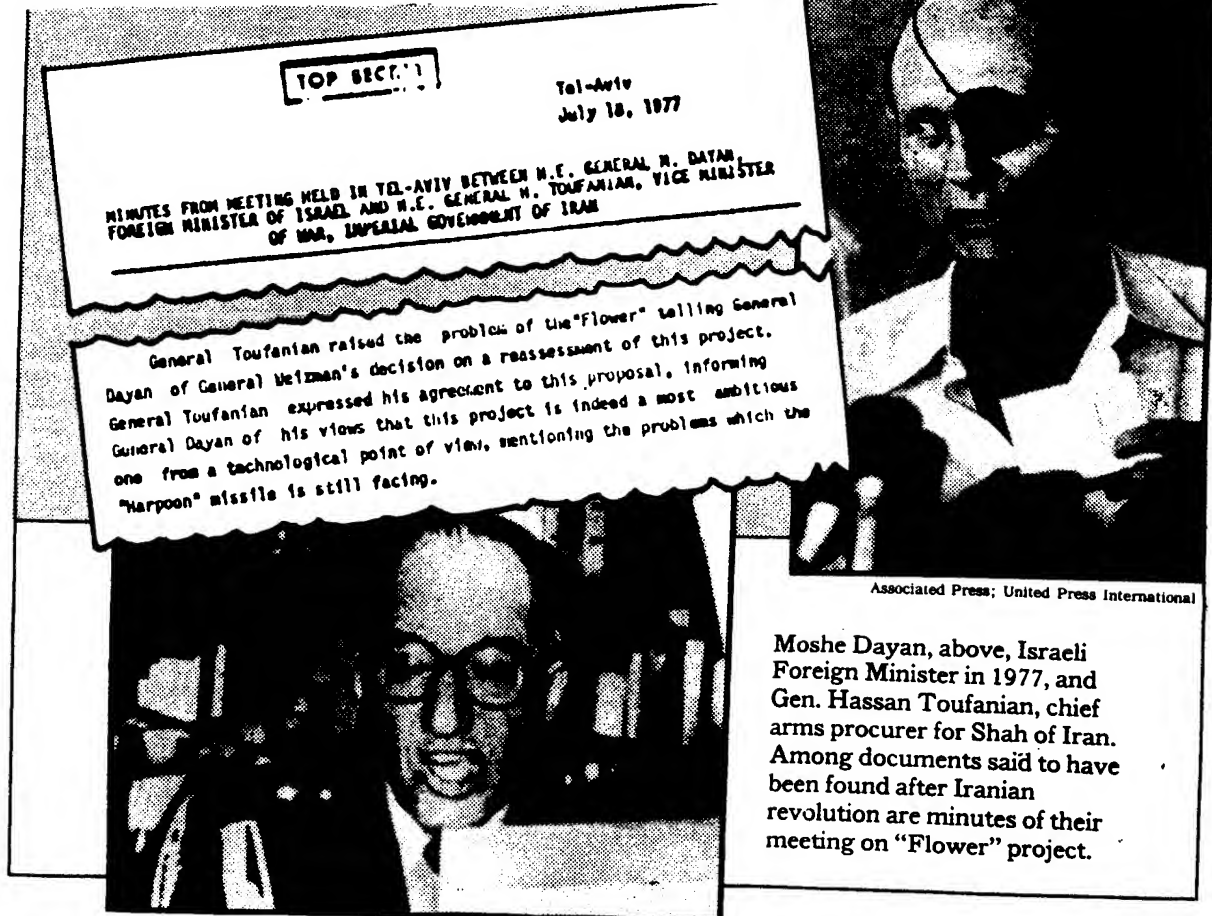
A team of Iranian experts began work on the site of the missile assembly plant near Sirjan, in central Iran, according to General Toufanian. A testing range was to be located near Rafsanjan, from where the missile could be fired 300 miles north into the desert and south into the Gulf of Oman.

Operation Flower was only one of several joint Israeli-Iranian military projects, according to the documents.

The summary of a conversation in July 1978 in Teheran between Admiral Habibollahi and the Israeli navy commander, Adm. Michael Barkai, out-

lined other possibilities. The document lists items that Israel had ready to sell, from advanced radar systems to systems to convert planes for maritime use, and mentions the possibility of "enhancing the 'Flower' project" so that the missiles could be launched from submarines.

"My interest always was to have a submarine force," Admiral Habibollahi, who now lives in the Washington area, said in an interview. "And we were considering tactical, nonnuclear missiles for our submarines."



Moshe Dayan, above, Israeli Foreign Minister in 1977, and Gen. Hassan Toufanian, chief arms procurer for Shah of Iran. Among documents said to have been found after Iranian revolution are minutes of their meeting on "Flower" project.